

**COMMONWEALTH OF VIRGINIA
Department of Environmental Quality
South Central Regional Office**

STATEMENT OF LEGAL AND FACTUAL BASIS

Dominion Resources, Inc.
5000 Dominion Boulevard, Glen Allen, Virginia
Permit No. SCRO30859

Title V of the 1990 Clean Air Act Amendments required each state to develop a permit program to ensure that certain facilities have federal Air Pollution Operating Permits, called Title V Operating Permits. As required by 40 CFR Part 70 and 9 VAC 5 Chapter 80, Dominion Generation has applied for an administrative amendment to the Title V Operating Permit for its Altavista facility. The Department has reviewed the application and has prepared a proposed Title V Operating Permit.

Engineer/Permit Contact:_____

Date: April 12, 2004

Air Permit Manager:_____

Date: April 12, 2004

Regional Director:_____

Date: April 12, 2004

FACILITY INFORMATION

Permittee

Dominion Resources, Inc.
5000 Dominion Boulevard
Glen Allen, VA 23060

Facility

Altavista Power Station
104 Wood Lane
Altavista, VA 24517

AIRS ID No. 21-031-0156

SOURCE DESCRIPTION

Dominion-Altavista Power Station (APS) manufactures electricity and is covered by Standard Industrial Code 4911. At maximum capacity, APS produces 55,000 lb/hr of process steam. The power station operates two, 382.5 MM Btu/hr coal-fired stoker boilers with associated coal, wood, lime, ash, and fuel oil handling systems. APS is a major source of NO_x emissions and the primary boilers are subject to the federal NO_x Budget Trading Program. As of August 29, 2003, the APS received approval by DEQ for their continuous emission monitoring system strategy for calculating NO_x emissions. As a result, the specific applicable requirements of the NO_x budget program are incorporated into the Title V permit.

The regulation allows the use of the minor modification procedure to add these new regulatory requirements. The NO_x Budget Trading program becomes effective May 31, 2004.

COMPLIANCE STATUS

The last inspection conducted at the facility by the Virginia Department of Environmental Quality (on April 24, 2003) indicates compliance with the PSD permit dated January 9, 2003 and the regulations.

EMISSION UNIT AND CONTROL DEVICE IDENTIFICATION

The emissions units affected by the NO_x trading program are two, 382.5 MMBtu/hr "primary", stoker coal boilers (Unit ID 001, 002). These units are operated for the purpose of generating electricity. Both boilers are electrical generating units that were installed prior to 1999. As a result, the facility is required to measure and report the actual NO_x emissions, and have planned to use an existing continuous emission monitoring system (CEMs). The CEM is set up to monitor NO_x, CO, and SO₂ emissions from each boiler. A continuous opacity monitor is also used to measure the opacity from the boiler's combined exhaust.

EMISSIONS INVENTORY

A copy of the 2002 Comprehensive Environmental Data System (CEDS) annual emission update was submitted in May of 2003.

EMISSION UNIT APPLICABLE REQUIREMENTS - [001, 002]

Limitations

The following Virginia Administrative Code and New Source Performance Standards have specific emission requirements have been determined to be applicable:

9 VAC 5-140-10 et.seq., NO_x Budget Trading Program (permit requirements, compliance certification, allowance allocations and transfers, tracking, monitoring, reporting, opt-in process, and account representatives) See attached permit for source specific limitations.

NO_x BUDGET TRADING PROGRAM REQUIREMENTS

This section represents the NO_x Budget Trading permit, as required by 9 VAC 5-140-200 A, for each NO_x Budget source required to have a federally enforceable permit. A monitoring system has been installed for the NO_x Budget unit (Unit ID 001 and 002) for monitoring NO_x mass emission in accordance with Subpart H of 40 CFR Part 75. The monitoring system has been certified under the procedures of 40 CFR Part 75 before the required date of May 1, 2003. Recording and reporting of NO_x emissions are required to be done in accordance with the requirements of 9 VAC 5 Chapter 140, 40 CFR Part 75, and 40 CFR Part 97.

STREAMLINED REQUIREMENTS

None associated with this minor permit modification.

INSIGNIFICANT EMISSION UNITS

No additional insignificant emissions units identified.

PERMIT SHIELD & INAPPLICABLE REQUIREMENTS

No inapplicable requirements have been identified.

GENERAL CONDITIONS

The permit contains general conditions required by 40 CFR Part 70 and 9 VAC 5-80-110, that apply to all Federal operating permit sources. These include requirements for submitting semi-annual monitoring reports and an annual compliance certification report. The permit also requires notification of deviations from permit requirements or any excess emissions.

COMPLIANCE PLAN

N/A

CONFIDENTIAL INFORMATION

The permittee did not submit a request for confidentiality. All portions of the Title V application are suitable for public review.

PUBLIC PARTICIPATION

The administrative corrections to this Title V permit as well as the inclusion of applicable NO_x Budget conditions do not require a public participation period per 9 VAC 5-80-200 B.2., and 9 VAC 5-80-210 D.

COMMONWEALTH OF VIRGINIA
Department of Environmental Quality
South Central Regional Office

STATEMENT OF LEGAL AND FACTUAL BASIS

Addendum to the Statements of Legal and Factual Basis dated May 28, 2003 and April 12, 2004

Dominion Generation
5000 Dominion Boulevard, Glen Allen, Virginia
Permit No. SCRO30859

Title V of the 1990 Clean Air Act Amendments required each state to develop a permit program to ensure that certain facilities have federal Air Pollution Operating Permits, called Title V Operating Permits. As required by 40 CFR Part 70 and 9 VAC 5 Chapter 80, Dominion Generation has applied for a minor modification of the Title V Operating Permit for its Altavista facility. The Department has reviewed the application and has prepared a draft Title V Operating Permit.

Engineer/Permit Contact: _____ Date: December 6, 2005

Air Permit Manager: _____ Date: _____

Regional Permit Manager: _____ Date: _____

FACILITY INFORMATION

Permittee

Dominion Generation
5000 Dominion Boulevard
Glen Allen, VA 23060

Facility

Altavista Power Station
104 Wood Lane
Altavista, VA 24517

County-Plant Identification Number: 51- 031-00156

SOURCE DESCRIPTION

Dominion-Altavista Power Station (APS) manufactures electricity and is covered by North American Industrial Classification System code 221112- Fossil Fuel Electric Power Generation. At maximum capacity, APS produces 55,000 lb/hr of process steam. The power station operates two, 382.5 MM Btu/hr coal-fired stoker boilers with associated coal, wood, lime, ash, and fuel oil handling systems. These primary boilers are subject to the Acid Rain program and the federal NO_x Budget Trading Program.

MINOR MODIFICATION PERMIT INFORMATION

The current minor modification to the facility's Title V permit is being generated to incorporate the renewal of the Altavista Power Station's Title IV, Phase II, Acid Rain permit.

The facility is a Title V major source of Sulfur Dioxides, Nitrogen Oxides, Carbon Monoxide, and Sulfuric Acid Mist. This source is located in an attainment area for all pollutants, and is a PSD major source. The facility was previously permitted under a PSD Permit issued on February 21, 1990, and that permit was most recently amended on November 5, 2003.

COMPLIANCE STATUS

A full compliance evaluation of this facility, including a site visit, has been conducted. In addition, all reports and other data required by permit conditions or regulations, which are submitted to DEQ, are evaluated for compliance. Based on these compliance evaluations, the facility has not been found to be in violation of any state or federal applicable requirements at this time.

EMISSION UNIT AND CONTROL DEVICE IDENTIFICATION

The Statement of Basis dated May 28, 2003 is for the initial Title V permit for the Altavista Power Station, and the Statement of Basis dated April 12, 2004 is for the minor modification to the initial Title V permit by which the NO_x Allowance Budget Trading applicable requirements were added. The emission units and control devices at the Altavista Power Station remain as described in the Statements of Basis dated May 28, 2003, and April 12, 2004.

EMISSIONS INVENTORY

A copy of the 2004 annual emission update attached. Emissions are summarized in the following tables.

2004 Actual Emissions				
Criteria Pollutant Emission in Tons/Year				
VOC	CO	SO ₂	PM ₁₀	NO _x
5.01	401.46	81.10	18.61	549.73

2004 Facility Hazardous Air Pollutant Emissions	
Pollutant	Hazardous Air Pollutant Emission in Tons/Yr
Lead	0.04
Chlorine	20.14
Hydrochloric acid	7.70
Hydrogen fluoride	0.96

EMISSION UNIT APPLICABLE REQUIREMENTS

The emission unit applicable requirements for the APS remain as described in the Statements of Basis dated May 28, 2003, and April 12, 2004.

GENERAL CONDITIONS

The permit contains general conditions required by 40 CFR Part 70 and 9 VAC 5-80-110 that apply to all Federal-operating permitted sources. These include requirements for submitting semi-annual monitoring reports and an annual compliance certification report. The permit also requires notification of deviations from permit requirements or any excess emissions.

FUTURE APPLICABLE REQUIREMENTS

None associated with this minor permit modification.

INAPPLICABLE REQUIREMENTS

None identified

COMPLIANCE PLAN

Not applicable

INSIGNIFICANT EMISSION UNITS

No changes in insignificant units are associated with this minor permit modification.

CONFIDENTIAL INFORMATION

The permittee did not submit a request for confidentiality. All portions of the Title V application are suitable for public review.

PUBLIC PARTICIPATION

Per 9 VAC 5-80-210 D, Title V minor modifications do not require public participation, but they do require notification of affected states and the EPA administrator. In SCRO's letter dated September 29, 2005 the North Carolina division of air quality was notified of receipt of the permit application as required. Likewise, in a similar letter of the same date, EPA Region III was notified of the permit application.

On October 19, 2005 SCRO submitted the PROPOSED minor modification to EPA Region III. SCRO received no comments during EPA's 45 day review period which ended on December 5, 2005. Therefore, in accordance with 9 VAC 5-80-210 E, DEQ may issue the final permit modification.

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December 6, 2005

Dominion Generation
5000 Dominion Boulevard, Glen Allen, Virginia
Permit No. SCRO30859

Title V of the 1990 Clean Air Act Amendments required each state to develop a permit program to ensure that certain facilities have federal Air Pollution Operating Permits, called Title V Operating Permits. As required by 40 CFR Part 70 and 9 VAC 5 Chapter 80, Dominion Generation has applied for a minor modification of the Title V Operating Permit for its Altavista facility. The Department has reviewed the application and has prepared a draft Title V Operating Permit.

Engineer/Permit Contact: _____ Date: _____

Air Permit Manager: _____ Date: _____

Regional Director: _____ Date: _____

FACILITY INFORMATION

Permittee

Dominion Generation
5000 Dominion Boulevard
Glen Allen, VA 23060

Facility

Altavista Power Station
104 Wood Lane
Altavista, VA 24517

County-Plant Identification Number: 51- 031-00156

SOURCE DESCRIPTION

Dominion-Altavista Power Station (APS) manufactures electricity and is covered by North American Industrial Classification System code 221112- Fossil Fuel Electric Power Generation. At maximum capacity, APS produces 55,000 lb/hr of process steam. The power station operates two, 382.5 MM Btu/hr coal-fired stoker boilers with associated coal, wood, lime, ash, and fuel oil handling systems. These primary boilers are subject to the Acid Rain program and the federal NO_x Budget Trading Program.

COMPLIANCE STATUS

APS is inspected every other year. The last full compliance evaluation was completed on September 7, 2006 and the facility was not found to be in violation of any state or federal applicable requirements during that time.

MINOR MODIFICATION PERMIT INFORMATION

APS is subject to the Clean Air Interstate Rule (CAIR) promulgated on May 12, 2005. The rule will require 28 states (Virginia included) and the District of Columbia to achieve specified emission reductions for new and existing electric generating units (EGUs). Virginia opted to meet the state's emission budget by requiring EGUs to participate in an interstate cap-and-trade system, administered by the EPA that caps emissions in two stages. Phase I emission reductions begin in the 2009 for NO_x (Annual and Ozone Season) and 2010 for SO₂ and mercury (Hg). Phase II begins in the year 2015 for NO_x and SO₂ and 2018 for Hg. APS has requested a minor modification to their Title V permit to incorporate the requirements of the CAIR regulations.

APS submitted a timely and complete CAIR application for NO_x Annual and Ozone Season and SO₂ requirements. An application for Hg requirements has not been received but is due no later than 18 months prior to January 1, 2010. The applications were due by July 1, 2007 (NO_x) or July 1, 2008 (SO₂) and were received on June 21, 2007.

Based on EPA guidance, Virginia has decided to implement the CAIR permit through the Title V permitting process. The regulations (9 VAC 5-80-210 B) allow trading programs to be implemented

through the minor modification procedures. This requires a 45-day review period by the EPA. The CAIR requirements will go through full public notice during the renewal process¹. APS is required to resubmit the CAIR application for renewal with the Title V renewal application. Section XV of the Title V permit pertains to CAIR. The CAIR application, containing the applicable requirements, serves as the CAIR permit and is Attachment B to the Title V permit.

EMISSION UNIT AND CONTROL DEVICE IDENTIFICATION

The emissions units at APS are unchanged by this minor modification.

EMISSIONS INVENTORY

The 2006 emissions update has been reviewed for accuracy.

EMISSION UNIT APPLICABLE REQUIREMENTS

Section XV – CAIR Permit Requirements

This section contains the condition regarding the effective date, the CAIR permit as Attachment B, and the expiration date of the CAIR permit. The CAIR permit contains all applicable requirements for NO_x (Annual and Ozone) and SO₂ as defined in the CAIR rule and 9 VAC 140 Parts II, III, and IV, respectively.

GENERAL CONDITIONS

There are no changes to the General Conditions resulting from this minor modification.

FUTURE APPLICABLE REQUIREMENTS

The CAIR requirements become effective on the following applicable compliance dates:

Phase I NO_x – January 1, 2009 with all requirements contained in the CAIR permit

Phase I SO₂ – January 1, 2010 with all requirements contained in the CAIR permit

Phase I Hg – January 1, 2010 with no application received

Phase II NO_x – January 1, 2015 with all requirements contained in the CAIR permit

Phase II SO₂ – January 1, 2015 with all requirements contained in the CAIR permit

Phase II Hg – January 1, 2018 with no application received

INAPPLICABLE REQUIREMENTS

There is no change in the inapplicable requirements due to this minor modification.

COMPLIANCE PLAN

Not applicable

INSIGNIFICANT EMISSION UNITS

There is no change to the insignificant units due to this minor modification.

¹ Note that the Title V regulations would not require incorporation of the requirements until renewal for APS; however, the CAIR requires submittal of an application 18 months prior to the compliance date. According to the regulations and in the interest of efficiency, this action is being completed through the minor modification process. The public participation process would occur at the same time, regardless of the two possible approaches.

CONFIDENTIAL INFORMATION

The permittee did not submit a request for confidentiality. All portions of the Title V application are suitable for public review.

PUBLIC PARTICIPATION

This minor modification is subject to a 45-day EPA review period. No other public notice is required.

In SCRO's letters dated September 5, 2007, the North Carolina Division of Air Quality and EPA Region III were notified of receipt of the permit application (minor modification application received September 4, 2007).

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Addendum to the Statements of Legal and Factual Basis dated May 28, 2003, April 12, 2004,
December 6, 2005 and November 19, 2007

Dominion Generation
5000 Dominion Boulevard, Glen Allen, Virginia
Permit No. SCRO30859

Title V of the 1990 Clean Air Act Amendments required each state to develop a permit program to ensure that certain facilities have federal Air Pollution Operating Permits, called Title V Operating Permits. As required by 40 CFR Part 70 and 9 VAC 5 Chapter 80, Dominion Generation has applied for an administrative amendment of the Title V Operating Permit for its Altavista facility. The Department has reviewed the application and has prepared a draft Title V Operating Permit.

Engineer/Permit Contact: _____ Date: January 30, 2008

Air Permit Manager: _____ Date: January 30, 2008

Regional Director: _____ Date: January 30, 2008

FACILITY INFORMATION

Permittee

Dominion Generation
5000 Dominion Boulevard
Glen Allen, VA 23060

Facility

Altavista Power Station
104 Wood Lane
Altavista, VA 24517

County-Plant Identification Number: 51- 031-00156

SOURCE DESCRIPTION

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COMPLIANCE STATUS

APS is inspected every other year. The last full compliance evaluation was completed on September 7, 2006 and the facility was not found to be in violation of any state or federal applicable requirements during that time.

ADMINISTRATIVE AMENDMENT PERMIT INFORMATION

APS has proposed a modification to their facility to allow combustion of wood chips in the fuel bed and removal of the wood dust throughput limitation (former Condition 19 of NSR permit dated 11/5/2003). APS has also requested an unrelated change to a 30-day rolling average CO limit contained in their NSR permit.

Both projects contravene limits contained in the facility's Title V permit. Therefore, the Title V permit must be changed before APS can implement these changes. Per 9 VAC 5-80-200.A.5, the Title V permit can be administratively amended if the new source review (NSR) permit underwent public participation requirements "substantially equivalent" to the Title V process (9 VAC 5-80-270 and 290). The NSR permit and this Title V change are undergoing concurrent review utilizing the most restrictive of the required public participation processes (i.e. all requirements of Title V public participation are met). The NSR permit also contains compliance requirements which meet 9 VAC 5-80-110. Considering this information, the change to the Title V permit meets the criteria for an administrative amendment. For an in-depth review of these NSR actions, see the accompanying DRAFT NSR Engineering Analysis.

Throughout the permit, regulatory citations and permit conditions were updated where appropriate.

EMISSION UNIT AND CONTROL DEVICE IDENTIFICATION

There are no physical changes to APS' existing emissions units. With issuance of this permit, APS will have the ability to burn wood chips and the ability to maximize wood dust combustion in the primary coal boilers (001 and 002). The facility will also add a wood chip handling system (025) rated at 500 TPH.

EMISSIONS INVENTORY

The 2006 emissions update has been reviewed for accuracy.

EMISSION UNIT APPLICABLE REQUIREMENTS

Section III – Primary Boiler Requirements

This section contains the conditions related to the new 30-day rolling average CO limitation on the primary coal boilers (001 and 002), including CEMS requirements. Former Condition 19 of the NSR permit dated 11/5/2003 (i.e., the wood dust throughput limitation) has been removed and wood chips have been added as an approved fuel.

For general correctness and clarity, Condition III.A.4 has been updated to reflect the sulfur requirements (Conditions III.A.8 and 9) are more stringent than the referenced ASTM specifications.

Section IV – Auxiliary Boiler Requirements

For general correctness and clarity, Condition IV.A.2 has been updated to reflect the sulfur requirements (Conditions IV.A.3 and 4) are more stringent than the referenced ASTM specifications.

Section VI – Diesel Engine Requirements

For general correctness and clarity, Condition VI.A.2 has been updated to reflect the sulfur requirements (Conditions VI.A.3 and 4) are more stringent than the referenced ASTM specifications.

Section VII – Material Handling Requirements

Condition VII.A.10 was added to control fugitive emissions from the new wood chip handling equipment. Condition VII.A.13 was changed to reflect the wood dust and wood chip handling system as subject to the emission limitations and the cross-referenced conditions were corrected.

Condition VII.B.1 was updated to clarify the intent of the requirement. The wording “15-second” was added before “observation” to ensure any single Method 9 observation greater than the stated percentage would trigger a 60 minute Method 9.

In accordance with current practice, the table of testing protocols in Section VII.D has been removed as it is unnecessary and misleading.

Section IX – Facility Wide Requirements

This section was reformatted to include two additional requirements. Condition IX.A.2 is a new condition from the minor NSR approval for this project. Condition IX.A.3 reflects the applicable requirement of 9 VAC 5-80-1785 concerning projects at a major stationary source (PSD).

GENERAL CONDITIONS

There are no changes to the General Conditions resulting from this administrative amendment.

FUTURE APPLICABLE REQUIREMENTS

There are no changes in future applicable requirements due to this administrative amendment. The first CAIR requirements become effective on January 1, 2009.

INAPPLICABLE REQUIREMENTS

There is no change in the inapplicable requirements due to this administrative amendment.

COMPLIANCE PLAN

Not applicable

INSIGNIFICANT EMISSION UNITS

There is no change to the insignificant units due to this administrative amendment.

CONFIDENTIAL INFORMATION

The permittee did not submit a request for confidentiality. All portions of the Title V application are suitable for public review.

PUBLIC PARTICIPATION

Generally, administrative amendments do not require any public participation. However, this action is proceeding concurrently through the most restrictive public participation requirements from the applicable programs (minor NSR, major NSR amendment, Title V). Therefore, this administrative amendment is subject to a 45-day public comment period, a public hearing, affected state review (North Carolina), and a 45-day EPA review period. Furthermore, the 45-day EPA review period is running concurrently with the 45-day public comment period. The public comment and EPA review period ended on January 29, 2008. No comments were received during the comment and EPA review periods.